

## **WX Task Force Meeting Minutes**

### **June 10, 2004**

#### **Welcome**

Tim Dayonot opened the meeting by reiterating the department's vision and goal with regard to the Weatherization Reimbursement Policy and efforts of the Weatherization Task Force. The goal of the reimbursement policy is to fairly reimburse agencies to cover costs incurred during the performance of weatherization services/activities. In the development of a reimbursement model (policy), we must strive to balance the tension between fiscal and programmatic accountability. Tim encouraged participants to acknowledge the existence of such tension, and remain open to the idea of accepting a reimbursement model with tolerable imperfections, while allowing flexibility to contractors, and that fairly reimburses for services. CSD is struggling to design a reimbursement model that works for agencies and fiscal responsibility.

#### **May 13<sup>th</sup> and 14<sup>th</sup> Meeting Recap**

##### **Labor Rate Model**

CSD developed a labor rate model using salary and wage statistical data obtained from the Department of Labor Occupation Employment Statistics Survey (OESS), and task force derived estimates for operational expenses and downtime. The OESS salary data for comparable occupational classification (e.g., Maintenance and Repair Workers and First-Line Supervisors/Managers Mechanic) was used as a basis in determining individual county wage factors. Weighted averaging was applied to Supervisor (4:1) and Support Staff (3:1) wage factors. The Basic Crew wage factor was treated at 100%, based on the fact that weatherization crews, including specialty crews, perform weatherization measure installation and services.

The labor model example blends county salary wage factors with fixed factor percentages for operating expenses and downtime to yield varying labor rates specific to each county; and isolates costs directly associated with labor to the labor rate. Other costs such as administrative, insurance, and travel are shown as reimbursed on an actual cost basis directly to the program, and are not included in the labor rate. Under the labor model example, agencies serving single county service areas would receive the hourly rate as yielded by labor rate formula. For agencies serving multiple county service areas, the agency labor rate was determined by averaging the labor rates.

The labor model was presented to the task force in the context of a possible model consideration. The labor model design addresses the significant variances in weatherization wages among counties served by agencies. In addition, the model can serve as a methodology in determining labor rates, and supporting future adjustments owing to increases in labor, insurance, operating

expenses, and inflation. Agency participants were requested to further analyze each of the cost factors and the final reimbursement amount. Agencies were encouraged to plug in their actual costs for workers compensation and liability insurances for the amounts displayed, which were intentionally estimated by CSD on the low side. At the next meeting, CSD would like to receive input as to the feasibility of implementing such a reimbursement model, assess the accuracy of individual cost factors, and determine if the final reimbursement rates adequately cover agency costs.

### **ECIP – Furnace Repair and Replacement**

CSD was asked to explore expanding services under ECIP Furnace Repair and Replacement (ECIP FR&R) to include all residential combustion appliances. CSD performed a review of applicable federal and state laws and regulations to determine if statute would allow for such consideration. Based upon this analysis, the department concluded that state statute (law) limits the allowable use of ECIP FR&R to crisis (emergency) repair and replacement services for heating and cooling needs. Currently, ECIP FR&R services are limited only to heating needs. CSD will be expanding ECIP for cooling services – consistent with state law. Subsequent discussion was held on defining emergency and the circumstances under which ECIP FR&R services should be rendered. Based on the array and varying circumstances of emergency, and allowing agencies the flexibility needed to make the best use of staff resources and streamline costs, the department will continue with the broad policy and definition of emergency under ECIP FR&R.

Effective with the 2005 PY, the department will expand ECIP FR&R to include replacement and repair services for air conditioning and evaporative coolers; and for the 2006 PY, incorporate the repair and replacement of gas water heaters.

### **Travel Reimbursement**

Current LIHEAP policy provides travel reimbursement to contractors for single round trip to and from a weatherized dwelling site from the contractor's material storage site. Reimbursement is credited at \$.66 per mile.

The team discussed the need to revise the existing travel reimbursement policy, and provided the following recommendation:

#### **Single Family Dwellings (SFW)**

Single-unit fee reimbursement for completed units. Fee reimbursement would be established at one labor hour unit, per crew, covering distances in excess of 5-miles up to 60-miles from points covering: job-site to job-site, supplier to job-site, and agency to job-site. SFDs with travel distances of less than 5-miles are ineligible to receive travel reimbursement. Contractors may only claim one travel fee reimbursement, per crew, per individual unit

### Long Distance Travel

Defined as distances exceeding 60-miles roundtrip. Contractor may claim the single-unit fee reimbursement, plus reimbursement at \$.66 per mile for each round trip mile in excess of 60-miles. Contractors may only claim one long distance trip, per individual unit.

### Multi-Unit Dwellings

For MUD complexes with more than 5-units and the distance of travel exceeds 5-miles, the travel reimbursement fee would be established at \$10.00, per each weatherized MUD unit up to a maximum of \$50.00.

MUD complexes with less than 5-units, travel reimbursement would be based on the criteria for Single Family Dwellings – travel distance exceeding 5-miles up to 60 miles, and reimbursement based on one labor hour unit, per crew.

Travel reimbursement is limited to one surcharge reimbursement per eligible unit.

### **CSD Time & Motion Study**

CSD announced plans to conduct a field abbreviated Time and Motion Study to further validate costs within the proposed labor rate formula; and to ascertain labor time for performing various LIHEAP weatherization activities (measures). CSD identified considerations for ideal agency candidates to participate in the Time & Motion Study. Considerations included: scale of operation, location (urban, rural, costal, etc.), program leveraging, climate, housing stock, and weatherization measures/services typically performed. The following agencies agreed to participate in the field study:

CVOC  
Butte County  
Project Go  
San Bernardino  
Redwood  
PACE  
Maravilla  
CRP

### **Next Meeting**

Monday, August 2<sup>nd</sup> and Tuesday, August 3<sup>rd</sup>